

Lithuania

An overview of the economy and of the business environment



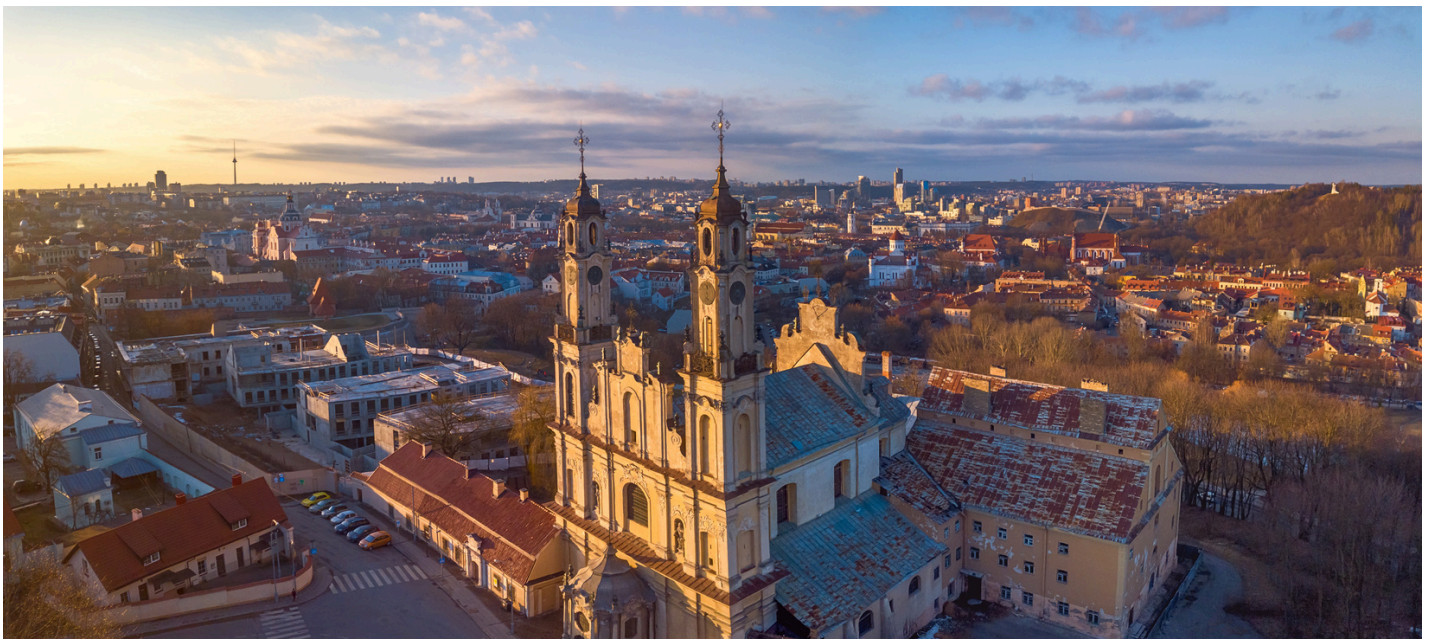
October 2024 has been a particularly important month for Lithuania as the national elections have just taken place. In such a crucial moment for local, European, and global politics and economics, these elections hold great significance for the Lithuanian people.



Since joining the European Union in 2004, Lithuania has witnessed significant economic growth and rapid modernization, culminating in its membership in the OECD in 2018.

The country was Europe's fastest to recover from the 2009 financial crisis, aided by a robust banking sector and a diversified industrial base.

Despite strong capital investments and a sharp reduction in inflation, economic recovery has been delayed by weak private consumption, sluggish exports, and tightening financial conditions. Exports of goods, particularly in the chemical, plastic, wood, and furniture sectors, have been hit by weak global demand, though service exports have shown improvement. Looking ahead, economic growth is expected to rebound, with forecasts of 2.1% growth in 2024 and 3% in 2025, driven by EU fund inflows.



Lithuania

An overview of the economy and of the business environment



Agriculture contributes 4% to Lithuania's GDP and employs 5% of its workforce, according to the latest available data from the World Bank. The country's primary agricultural products include wheat, wood, barley, potatoes, sugar beets, wine, and meat (beef, mutton, and pork). Arable land and permanent crops cover two million hectares, accounting for over one-third of Lithuania's territory.



The industrial sector represents 25.7% of Lithuania's GDP and employs around 26% of the workforce. Key subsectors include electronics, chemicals, machinery, metal processing, construction materials, household appliances, food processing, textiles, clothing, and furniture. The country is also expanding its oil refineries and shipyards. The World Bank estimates that the manufacturing sector alone contributes 16% to GDP.

The services sector is the largest contributor to Lithuania's economy, making up 61.2% of GDP and employing over two-thirds (69%) of the active population. Information technology and communications are the most significant contributors within this sector. Lithuania's IT and telecommunications sector stands out as a hub of innovation and growth, establishing the country as a prominent technology center in the region, second only to Estonia.



In total, the number of start-ups has more than doubled over the past decade, surpassing 1,000, and over 200 fintech companies are now operational, positioning Lithuania as the second-largest fintech hub in Europe, behind the UK. A regulatory sandbox enables both potential and existing financial market participants to test innovations in a live environment under the supervision of the Bank of Lithuania.

Lithuania

An overview of the economy and of the business environment



With a highly skilled workforce and a supportive regulatory framework, the technology sector has attracted considerable foreign investment, fostering the growth of advanced technologies and services. The government's strategic focus on enhancing digital infrastructure has expanded internet access, allowing businesses and start-ups to flourish.

In recent years, tourism has also emerged as one of the fastest-growing areas of the economy. The banking sector comprises 18 banks, with twelve holding banking or specialized banking licenses and six operating as branches of foreign banks, according to the European Banking Federation.



Lithuania is a highly open economy, with foreign trade accounting for 176% of its GDP, according to the latest World Bank data. Exports are vital, supported by high production standards and competitive pricing. The government's investment in industrial parks and incentives for foreign investors has strengthened manufacturing capabilities, making Lithuania an appealing destination for international manufacturing operations.

Top import countries: Latvia, Poland, Germany, Netherlands, Estonia, United States, Sweden, United Kingdom, Ukraine, France

Top export countries: Germany, Poland, Latvia, United States, Netherlands, Norway, Saudi Arabia, Sweden, Estonia, China.

In today's dynamic economic landscape, establishing reliable and successful business relationships depends on having access to expert local business information. SkyMinder partners with leading local providers to offer comprehensive insights into all companies operating in Lithuania. Leveraging the deep expertise and knowledge of our local partners, SkyMinder provides meticulously updated full reports on every registered company in Lithuania.

Lithuania

An overview of the economy and of the business environment



All SkyMinder Full Reports on Lithuania are regularly updated and include the following information (where available from local sources):

- Detailed company identification, including accurate company name, addresses, and contact details like phone numbers, fax numbers, emails, and websites.
- Company registration particulars retrieved from local registries, including registration number, company ID, fiscal code, and other relevant data.
- Insight into company structure, such as board of directors, shareholders, and affiliated companies.
- Financial data, including balance sheets and profit and loss statements where disclosed by the company.
- Credit rating and recommended credit limits.
- Payment information.
- Activity specifics, detailing the company's sector, industry, and, where available, import-export activities. Employee count.
- Noteworthy negative information regarding the company's history.

Furthermore, our Full Monitoring service allows continuous tracking of any changes affecting a company, providing detailed notifications and updated company overviews on the platform. SkyMinder also offers tailored reports to suit specific requirements:

- Slim Reports offer concise information on the company's credit situation.
- Verification Reports focus on the shareholding structure.



- Compliance Check and Extended Check Reports grant access to the Lexis Nexis Risk Solutions platform to assess involvement in financial crimes, bribery, corruption, and money laundering.
- Cyber Risk Reports evaluate vulnerability to cyber-attacks through website and domain testing.

SkyMinder is the business information partner that delivers the highest quality standards to meet customer needs.

Sources: <https://international.groupecreditagricole.com/>; <https://emerging-europe.com/>